

Contract Harvesting and Controlled Traffic Expenses and Costs

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My name is Peter Bradley; I run a contract grain harvesting business located in Central Queensland, which has been operating for over 10 years. I started in 1973 and sold out in 1983 to pursue other business endeavours, and recommenced in 1997 and have been developing the business gradually to the present day. I also hold the position of President of the Australian Grain Harvesters Association and have held this position for the last 3 years.

I have been asked to present to you today my views on Controlled Traffic Farming and what effect, if any, this had had on my business. My initial thoughts on CTF were that it would be time consuming and I had strong concerns over whether it would improve any of my contracting practices but still produce profitability.

At present in my business we run 3 John Deere 9660 STS bullet rotor combines, all of which are CTF ready. Two of the machines have Midwest centre mount 42ft fronts, and the third has the very 1st Midwest 12mt front. It is 40.9" on the knife. This particular front was developed over a 12 month period, after much discussion, pulling out of hair (and in my case the sudden and rapid increase in grey hair) and much trial and error.

The development group involved included me, Andrew Farquarson owner of FARMMS Agronomy at Clermont, QLD CTF members, and Martin and Craig Schultz from Midwest Manufacturing at Dalby QLD.

The front fitted very neatly between the 12 m rows typical of a summer crop configuration and is easily able to pick up all down cereal crops that are flat on the deck. The front cost us an additional \$10'000 as all components had to specifically developed from cutting back from the 42ft components.

In order to make an informed decision we decided to use two very similar properties in Central Queensland so as to compare the effectiveness and profitability of CTF in our harvesting practices. The farms used in our trial included Rob and Deb Bauman "Bogandilla" at Dysart, who have been using CTF practices for approximately 14 years and Grant McClellan's property "Soldiers Plains" at Theodore. Importantly there is very little difference in the farms in terms of location, size and crop, and so we would be able to correctly compare data at the end of the harvest to come to a better decision in regard to CTF practices.

The table presented shows comparisons from each of our trials at these properties.

As you can see we were able to use 400 lt less fuel during the harvest at the CTF farm (a significant fact at this time with fuel prices so high) even though the crop and ground conditions at this farm were much wetter and yielded 2 tonne per hectare higher. Both crops were sprayed out 10 days prior to the commencement of the harvest yet the crop at the CTF farm produced a much greener crop. So the drop in the rate of fuel used was somewhat surprising to us. The time used to harvest the CTF farm was in total approximately 40 hours compared to 25 hours at the non CTF farm. The amount of time lost due to no chaser bin in

the field at the CTF farm was around 12 hours which amounted in dollar terms to around \$6080, at \$500 per hour. This would suggest then that we would be required to make an additional \$215 per hour or \$25 per hectare at harvest to equal the return the profitability of having a chaser bin and unloading on the go.

Our CTF business will increase this next financial year by approximately 30%. Our figures show we will harvest around 60,000 acres (or 24,252 hectares) of cereal crop in 2008/2009, and 30,000 acres (or 12,100 hectares) of summer crop. This equates to around 1200 hours per header per year, which is a significant portion of our business each year. In doing so we have had to spend additional money to ensure we are CTF compliant including \$40,000 on new fronts and \$22,000 on auto steer and mapping. This additional expense adds up at \$62,000 to be CTF ready.

Therefore we as the contractors need to charge at least \$62.50 a hectare or at an hourly rate of at least \$715 to make it profitable and to ensure that by being CTF ready we are not making a loss.

Thank you for your time, I do hope I have given you something to think about and if any of you have any questions or comments, I will make myself available to you.